

ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT
REQUEST FOR PROPOSALS FOR BOND COUNSEL

A. PREFACE

Pursuant to the passage a constitutional amendment to levy a temporary sales and use tax of one-half percent (0.5%) for state highways and bridges, to secure State of Arkansas General Obligation Four-Lane Highway Construction and Improvement Bonds, the total amount not to exceed \$1,300,000,000, to comply with constitutional amendment approved by the voters in the November 6, 2012, election. Interested persons are invited to submit proposals expressing their interest in providing such services to the Department in accordance with the terms and conditions as outlined in this Request for Proposal.

B. PURPOSE OF REQUEST FOR PROPOSAL

The purpose of the Request for Proposal (RFP) is to secure Bond Counsel to assist the Arkansas Highway Commission (AHC) in the issuance of one or more series of bonds. This RFP is issued under the Arkansas Highway Commission's authority and discretion pursuant to the constitutional amendment approved by the voters in the November 6, 2012.

C. HIGHWAY PROGRAM OBJECTIVES

The constitutional amendment approved by the voters in the November 6, 2012, is designed to allow for construction of state highways and bridges, bridges and other surface transportation, with the State's portion to secure the State of Arkansas General Obligation Four-Lane Highway Construction and Improvement Bonds. Funding comes primarily from designated revenues and is guaranteed by the full faith and credit of the State. The designated revenues are: a temporary one-half percent (0.5%) sales and use tax; and general revenues of the state if needed.

The AHC is authorized under the constitutional amendment approved by the voters in the November 6, 2012 to issue the Bonds in an aggregate amount not to exceed \$1,300,000,000. The Bonds will be general obligations of the State secured by the full faith and credit of the State but payable first from certain designated revenues. The AHC has the discretion to establish the bond structure, timing, terms and manner of sale among other things specifically delineated in the constitutional amendment approved by the voters in the November 6, 2012.

D. SCOPE OF SERVICES

Bond Counsel shall provide advice, recommendations, required documentation, and opinions in conjunction with any proposed financing for subsequent issues. Services to be provided by Bond Counsel shall include, but are not limited to the following:

1. Reviewing the financing requirements for the Program and making recommendations as to compliance with applicable law, both Federal and state of Arkansas, and pending or proposed revisions in the law, including U.S. Treasury rules and regulations.
2. Making recommendations as to procedures, required approvals and filings, schedule of events for timely issuance, potential cost-saving techniques and other legal matters relative to issuance of the Bonds, whether the financing is undertaken by competitive bid or negotiated sale.
3. Attending such meetings as shall be required by the AHC.
4. Preparing all documents required for authorization and issuance of the Bonds, including any required supplemental Bond Resolutions authorizing one or more series of the Bonds.
5. Preparing at a minimum those portions of any Preliminary Official Statement and any Official Statement relating to the description of the Bonds, the security therefor, and the summary of the resolution and supplemental resolutions authorizing their issuance, and such other portions thereof as may be required by the AHC.

6. Rendering of a final approving opinion of the validity of the Bonds and tax exempt or non tax exempt status of the interest earned thereon regarding state and federal income taxation, state inheritance and intangible taxation and such incidental opinions (including, if applicable, an analysis of special arbitrage, preference, alternative minimum and related tax questions) which in the opinion of the AHC may be or become necessary.
7. Preparing, obtaining, delivering, reviewing and filing all closing certificates, documents, and papers necessary in connection with the sale and issuance of the Bonds, including but not limited to certified copies of all minutes, resolutions, and orders; certificates such as may apply to officers, seal, incumbency, signature, no prior pledge, arbitrage and others; and verifications, consents and opinions from accountants, engineers, special consultants and attorneys.
8. Preparing the appropriate Bond forms and supervising of the printing thereof.
9. Attending the sale of the Bonds, signing, closing, and all other meetings, and conferences related to the Bonds deemed necessary by the AHC.
10. Preparing the appropriate bond transcripts relating to the proceedings for the authorization and issuance of the Bonds.
11. Providing any other service, documentation or representation in connection with the Bonds as may be directed by the AHC either during or subsequent to the issuance process for the Bonds.

E. PROPOSAL AND FORMAT

Send four (4) copies of written responses to this RFP to the Arkansas Highway Commission, Attention: Scott Bennett, Director, Arkansas Highway and Transportation Department, P. O. Box 2261, Little Rock, AR 72203-2261. These must be received not later than 4:30 p.m., November 28, 2012.

NO REVISIONS TO THE RESPONSES TO THIS RFP SHALL BE MADE AFTER THE SPECIFIED CUT-OFF TIME UNLESS AUTHORIZED BY THE AHC.

F. QUESTIONS CONCERNING RFP CONTENT

Requests for clarification to RFP content will be accepted in writing only until 4:30 p.m., November 21, 2012. (FAX transmission is acceptable and the following number may be used: 501-569-2698.) Any clarification of RFP content shall be at the discretion of the AHC. If a clarification is provided it shall be in the form of an addendum and will be sent to all candidates who have been sent a copy of this RFP. Questions should be submitted to the Arkansas State Highway Commission, Attention: Scott Bennett, Director, Arkansas Highway and Transportation Department, P. O. Box 2261, Little Rock, AR 72203-2261, or 10324 Interstate 30, Little Rock, AR 72209.

G. ADDENDUM TO THE REQUEST FOR PROPOSAL

The AHC reserves the right to amend this RFP prior to the due date for responses. If it becomes necessary to revise any part of this RFP, an addendum shall be provided to all potential candidates who have been sent a copy of this RFP. All candidates shall include acknowledgment of all addenda as part of their proposal. Failure to acknowledge addenda may be grounds for disqualification of the proposal.

H. COST OF PREPARING PROPOSAL

The cost of developing and submitting the proposal is entirely the responsibility of the candidate; this includes costs to determine the nature of this engagement, preparation of proposal, submission of proposal, negotiation for the contract for bond counsel services, and all other costs associated with this RFP and responses thereto. All responses will become the property of the AHC and will be a matter of public record subsequent to award of the contract or rejection of all proposals.

I. CONTENTS OF THE TECHNICAL PROPOSAL

Each candidate shall provide a technical proposal in tabular format in the order specified below:

1. Provide the name, title, address and telephone number for all individuals to be assigned to the Project; this should include tax counsel. Discuss each individual's relevant experience, including

level of responsibility and his or her specific responsibilities for the Project. The individual charged with over-all responsibility for the Project should be clearly identified and shall make any requested oral presentations before the AHC.

2. Provide a description of experience in the following areas (Arkansas experience is particularly relevant):
 - a. Large scale bond issues.
 - b. Large scale non-toll highway bond issues.
 - c. Past or present involvement in any state of Arkansas debt issue.
 - d. Assistance and representation of other state agencies regarding bond matters before or to judicial, non judicial and legislative bodies.
3. Provide references, including names and telephone numbers, from the four most relevant bond issues described in paragraph 2 above.
4. Specify the type of legal malpractice insurance carried by your firm and indicate the limits of coverage for performing bond counsel services.
5. Describe your firm's procedure and policy for providing continuing, uninterrupted service if staffing changes occur or if the requested scope of services is significantly increased. Also, describe your procedure for replacing personnel assigned to the Project.
6. Provide in addition to the above requested information anything which you feel would make your representation of the AHC regarding the Project superior to that of other recognized municipal bond counsel.

J. COST PROPOSAL AND FORMAT

Each candidate shall provide a cost proposal separate from the technical proposal. It must be clearly marked as such. The cost proposal shall be in a tabular format in the order delineated below:

1. RFP signature return page;
2. Anticipated cost for bond counsel services provided by your firm for the Project (to include an itemization of all fees and estimated expenses).

The AHC reserves the right to negotiate a lower or different fee structure with candidates(s) selected. Failure by a candidate to provide all information and in the order specified may result in the rejection of the proposal.

K. CONFLICT OF INTEREST

All prospective candidates are requested to include an affirmative statement that the retention of their firm as bond counsel to the AHC will not result in any conflict of interest with any party which may be affected under the Bond issuance program. Should a conflict of interest potentially exist, the prospective bond counsel must specify the party with which such conflict may exist, the nature of the potential conflict and any resolution proposed.

L. AWARD

Proposals will be evaluated on the basis of: (1) the knowledge, experience and understanding of assigned personnel of and with Arkansas bond law, Arkansas state agency operations particularly emphasizing the AHC and highway bond issues and/or comparable experience; (2) qualifications and experience of assigned personnel; (3) the ability of the firm to perform services in a flexible and timely manner; (4) proposed fees; and (5) quality of written and oral (if any) presentation.

The AHC reserves the right to (1) reject any and all proposals with or without cause; (2) request and receive such additional information as it deems necessary; and (3) conduct interviews or pre-contract negotiations with any candidates. The AHC is not liable for any expenses incurred by any candidate in the development of its proposal or any subsequent activity related to such proposal.

M. PREPARATION

Responses should provide a straightforward, concise description of the candidate's qualifications and capabilities to satisfy the requirements of this RFP. Emphasis should be on completeness and clarity of content. Repetition of the terms and conditions of this RFP, without additional explanation, will not be considered sufficiently responsive.

N. ERRORS IN PREPARATION

The AHC has the right to rely on any price quotes provided by candidate. The candidate is responsible for any mathematical error or incorrect extension of any calculations leading to the candidate's price quotes. The AHC reserves the right to reject proposals which contain errors.

O. APPEARANCE BEFORE THE AHC OR THEIR DESIGNEES

Any or all candidates may be required to appear before the AHC or their designees to explain the candidate's understanding and approach to the services required and/or to respond to any questions from the AHC in regard to the proposal submitted. The candidate with overall responsibility identified in I (1) shall be responsible for making any requested oral presentations before the AHC.

Candidates selected to participate in negotiation sessions will be given the opportunity to submit a best and final offer to the AHC prior to a specified cut-off time.

Prior to the time specified, candidates may submit revisions to their technical and cost proposals, as well as any other items, contained in their proposal. All information received prior to the stated cut-off time will be considered as candidate's best and final offer.

P. PROPERTY OF THE AHC

All program reports, documents and materials generated for the purpose of the Project shall become the property of the AHC.

Q. CONTRACT

The successful candidate will be required to enter into a formal contract acceptable to the AHC which shall include this RFP and any addenda thereto issued, the proposal submitted in response to this RFP, and such other documents developed in the proposal process.

R. ACCEPTANCE OF PROPOSAL CONTENT

The content of the proposal of the successful candidate, this RFP and any addenda thereto will become part of any contract awarded as a result of these specifications for Bond Counsel.

S. INDEPENDENT PRICE DETERMINATION

A proposal will not be considered for award if the fees were not arrived at independently and without collusion, communication, or agreement as to any matter related to such prices with any other candidate, competitor, or public officer.

The candidate must include a certified statement in the proposal transmittal letter certifying that the price was arrived at without any conflict of interest, as described above. Should conflict of interest be detected any time during the contract period, the contract shall be declared null and void, and the candidate shall assume all costs of this project until such time as a new candidate is selected.